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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte KAZUO EZAWA, DAVE ROBERTS,
MICHAEL FOSTER, and JOHN KELLY

Appeal 2010-006832
Application 09/628,315
Technology Center 2400

Before ALLEN R. MacDONALD, ROBERT E. NAPPI,
SCOTT R. BOALICK, ELENI MANTIS MERCADER, and
KEN B. BARRETT, *Administrative Patent Judges*.

MacDONALD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF CASE

Introduction

Appellants appeal under 35 U.S.C. § 134 from a final rejection of claims 25-58. We have jurisdiction under 35 U.S.C. § 6(b).¹

*Rejections*²

The Examiner rejected claims 25-44 and 46-58 under 35 U.S.C. § 102(b) as being anticipated by Ishiguro (US 5,502,765).³

The Examiner rejected claim 45 under 35 U.S.C. § 103(a) as being unpatentable over the combination of Ishiguro and Carlisle (US 5,649,118).

Issue on Appeal

Was the Examiner's construction of method claim 32 unreasonable because the Examiner concluded that only a single one of the claim's plural conditional "if-then" clauses must be met to show anticipation?

The sole issue before us is claim construction which is purely a legal issue. *Cybor Corp. v. FAS Tech., Inc.*, 138 F.3d 1448, 1451 (Fed. Cir. 1998) (en banc).

¹ Originally appealed claims 1-24 are not before us. Appellants stated that claims 1-24 were cancelled without prejudice concurrently with filing of the Appeal Brief. (App. Br. 5). The Examiner acknowledged the cancellation in the Advisory Action mailed March 17, 2010.

² The Examiner's rejection of claims 25-58 under 35 U.S.C. § 112, first paragraph, has been withdrawn. (Ans. 3).

³ Several places in the Appeal Brief (App. Br. 16) and Answer (Ans. 18) refer to "claim 1" which is not before us. It is clear from the context that each of Appellants and the Examiner is actually referencing claim 25. Therefore, we read these and any similar references as being to "claim 25" which is on appeal.

Representative Claim 32

Representative independent claim 32 under appeal reads as follows
(formatting added)(emphasis added):

Claim 32. A method for determining an approximate current time using a first portable device and a second portable device, the first portable device having a first storage device, the second portable device having a second storage device, the first storage device storing thereon a first sequence number, the second storage device storing thereon a second sequence number, wherein the first and second sequence numbers comprise information on a first and a second trusted time embedded in the respective storage devices, the method comprising the steps of:

[a)] comparing the first sequence number to the second sequence number, the first sequence number being indicative of the first trusted time provided on the first portable device, the second sequence number being indicative of a the second trusted time provided on the second portable device; and

[b)] if the first trusted time is older than the second trusted time, setting the first sequence number to have a value of the second sequence number and conversely,

[c)] if the second trusted time is older than the first trusted time, setting the second sequence number to have a value of the first sequence number ***so that the older trusted time information embedded on one of two portable devices is mutually replaced with the newer trusted time information embedded on the other portable device.***⁴

⁴ We select as representative method claim 32, rather than apparatus claim 25 specifically argued by Appellants. Appellants' briefing arguments are equally applicable to both claims. However, all of Appellants' apparatus claims present unique concerns as discussed *infra*.

Appellants' Contentions

Appellants contend that the Examiner erred in rejecting the claims because the claims require “mutually replaced” time information and “Ishiguro does not describe or teach any such two-way mutual updating of the older time with newer time information.” (App. Br. 15). Thus, “it is not sufficient for Ishiguro to show only one of the two ‘if-then’ elements to anticipate the claims.” (Reply Br. 3).

Appellants and the Examiner are in agreement that the prior art teaches the first “if-then” conditional clause of claim 32. No facts are in dispute in this appeal.

Prosecution History

Claim 32 has been repeatedly amended. On May 30, 2006, an amendment resulted in essentially the current claim 32 except this prior claim 32 did not contain the now-claimed “so that” clause at the end of the claim (a “so that” clause is a form of “wherein” clause). On August 18, 2006, the Examiner rejected claim 32 as anticipated in a non-final office action using the same Ishiguro prior art as is currently on appeal.

On November 22, 2006, an amendment resulted in the current claim 32 by adding a clause at the end of the claim (“so that the older trusted time information embedded on one of two portable devices is mutually replaced with the newer trusted time information embedded on the other portable device”). On February 22, 2007, the Examiner again rejected claim 32 as anticipated in a final office action. That rejection is now before us.

ANALYSIS

The use of conditional claim language (whether it be an “if-then” clause, a status based clause, or another form) routinely causes challenges for method claim interpretation. For that reason we discuss both the Examiner’s non-final rejection and final rejection to highlight the claim interpretation challenge faced in the current application.

Non-Final Rejection

We have reviewed the Examiner’s August 18, 2006 non-final rejection of the prior version of claim 32 and we concur with the conclusion reached by the Examiner at that time.

We agree the step of “setting the second sequence number to have a value of the first sequence number” is conditioned on only “if the second trusted time is older than the first trusted time.” During examination, claims are given their broadest reasonable interpretation. *See In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). Under the broadest scenario, the method would not invoke the step (“setting the second sequence number to have a value of the first sequence number”) dependent on the second “if” conditional (“if the second trusted time is older than the first trusted time”). Under this broadest scenario, the Examiner was not required to find the disclosure of that step in the prior art in order to render the claims anticipated. *See Ex Parte Katz*, 2011 WL 514314, *4 (BPAI 2011).

We conclude that as to the prior version of claim 32, it was not unreasonable for the Examiner to interpret the claim as requiring that only a single one of the claim’s plural conditional “if-then” clauses be met to show anticipation. We agree with the Examiner that the second “if condition” as

employed in the prior version of method claim 32 is not a limitation against which prior art must be found.⁵

Final Rejection

We have reviewed the Examiner's February 22, 2007 final rejection of current claim 32 in light of Appellants' contention that the Examiner has erred.

We agree with Appellants' contention because we conclude that the "mutually replaced" limitation added by the November 22, 2006 amendment has a first effect of requiring that both "if" conditional steps be invoked.

The term "mutual" describes a "relation between two or more things"⁶ which is the antithesis of the separately operational steps of the Examiner's claim interpretation. Thus, the Examiner erred in concluding that only a single one of the claim's plural conditional "if-then" clauses must be met to show anticipation.

We also note the Examiner asserted that both conditional steps cannot be invoked because "only one of the 'if-then' elements can be satisfied." (Ans. 18). We agree that only one can be satisfied at a given time. However, nothing in the claim language requires that the conditional steps

⁵ Note that the opposite claim construction result is often reached as to corresponding apparatus claims because often those apparatus claims on their face require mechanisms for carrying out the result of each and every conditional clause even if such condition is never invoked. "[W]ith system claims, the 'if conditional' function is resident on the system regardless of whether it is executed or not, and thus must be given weight at least to the extent that the prior art device is capable of functioning as claimed." *See Ex Parte Katz*, 2011 WL 1211248, *2 (BPAI 2011)(reconsideration of *Katz*, 2011 WL 514314).

⁶ The American Heritage Dictionary, 2nd College Ed., Houghton Mifflin, 1982, p.825.

be simultaneously performed based on a single performance of the initial “comparing” step. To the contrary, the comparing step may be repeated. In fact, the addition of the “mutually replaced” limitation to claim 32 has a second effect of now limiting claim 32 to only situations where the comparing step is repeated at least once with one of the two conditions met the one time and the other condition being met another time.

Therefore, for the reasons above we reverse the Examiner’s rejection of claim 32.

ADDITIONAL GUIDANCE

Method Claims

The current and prior version of Appellants’ method claim 32 each avoid one known challenge when interpreting conditional clauses, because collectively the “if-then” clauses of each claim 32 represent the entire universe of potential options (once the comparing step is performed). In other situations where a claim’s “if-then” clauses do not collectively represent the universe of potential options, then that claim may be anticipated by showing an unclaimed option being invoked (i.e., none of the “if” conditionals being invoked).

Another known challenge when interpreting conditional method claim clauses is the situation where the prior art, such as here, teaches the entire claimed first conditional “if-then” clause, and the prior art also teaches the second claimed “if” condition, but teaches a different “then” result than found in the claim. The argument may still be made that the second “if” conditional would not be invoked (when the first is invoked), and the

Examiner is not required to find (or discuss) this second conditional limitation in the prior art in order to render the claims anticipated.

As one example of how to completely avoid conditional claim language and the resulting challenges for method claim interpretation, we provide the following suggested alternative language for claim 32. This language has the same, and arguably less ambiguous, effect as Appellants' "mutually replaced" limitation, but eliminates use of the term "if" and the entire "so that" clause:

(a) comparing the first sequence number to the second sequence number, the first sequence number being indicative of a the first trusted time provided on the first portable device, the second sequence number being indicative of a the second trusted time provided on the second portable device;

(b) *repeating step (a)*;

(c) *during the performance of steps (a) and (b) determining that* the first trusted time is older than the second trusted time, *and* setting the first sequence number to have a value of the second sequence number and conversely, and

(d) *during the performance of steps (a) and (b) determining that* the second trusted time is older than the first trusted time, *and* setting the second sequence number to have a value of the first sequence number.

NEW GROUND OF REJECTION

*Apparatus Claims*⁷

We reject apparatus claims 25-31, 37-40, and 54-58 under 35 U.S.C. § 112, second paragraph, as being indefinite.

Appellants' independent apparatus claims 25, 37, and 54, all contain the language "a processing device performing the following steps" or "a processing device performing the following" instead of language such as --a processing device *for* performing the following--. The effect of the current claim language is that the apparatus claims are infringed only when

⁷ Claim 25 (formatting added). A portable device which is capable of performing a transaction with a further portable device, comprising:

[a)] a storage device storing a first sequence number and a first key wherein the first sequence number comprises information on a first trusted time embedded in the storage device; and

[b)] a processing device performing the following steps:

[i)] receiving a second sequence number and a second key from the further portable device, wherein the second sequence number comprises information on a second trusted time embedded in the further portable device,

[ii)] comparing the first sequence number to the second sequence number including comparing the embedded first and second trusted times;

[iii)] performing a verification using the first and second keys;

[iv)] if the second sequence number is newer than the first sequence number by comparison of the respective embedded first and second trusted times, setting the first sequence number to have a value of the second sequence number if the verification succeeds; and conversely,

[v)] if the first sequence number is newer than the second sequence number by comparison of the respective embedded first and second trusted times, setting the second sequence number to have a value of the first sequence number if the verification succeeds so that the older trusted time information embedded on one of two portable devices is mutually replaced with the newer trusted time information embedded on the other portable device.

the device is actively performing the steps (performing the method), and not infringed when the device is not performing the steps. Because these claims recite both a device and a method for using that device, they do not apprise a person of ordinary skill in the art of their scope, and they are invalid under 35 U.S.C. § 112, second paragraph. *See IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377, 1384 (Fed. Cir. 2005) (“[S]uch a claim ‘is not sufficiently precise to provide competitors with an accurate determination of the ‘metes and bounds’ of protection involved’ and is ‘ambiguous and properly rejected’ under section 112, paragraph 2. [*Ex Parte Lyell*, 17 USPQ2d 1548 (BPAI 1990)] at 1550-51.”).

We will not sustain the anticipation rejection of claims 25-31, 37-40, and 54-58 as the analysis of whether the claims are anticipated requires speculation as to the scope of the claim terms. Our reviewing court has said that it is wrong to rely upon speculative assumptions as to the meaning of claims and to base a rejection of such claims upon prior art. *In re Steele* 305 F.2d 859, 862 (CCPA 1962). Thus, we will not sustain the Examiner’s rejection of these claims under 35 U.S.C. § 102(b) as we will not speculate as to the scope of the claims and, as such, cannot determine whether Ishiguro anticipates the claimed features.

37 C.F.R. § 41.50(b)

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.”

37 C.F.R. § 41.50(b) also provides that Appellants, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new grounds of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner. . . .

(2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

CONCLUSIONS

(1) The Examiner erred in rejecting claims 25-44 and 46-58 as being anticipated under 35 U.S.C. § 102(b).

(2) The Examiner erred in rejecting claim 45 as being unpatentable under 35 U.S.C. § 103(a).

(3) Claims 32-36 and 41-53 have not been shown to be unpatentable on this record.

(4) Claims 25-31, 37-40, and 54-58 are indefinite.

DECISION

The Examiner's rejections of claims 25-58 are reversed.

A new ground of rejection is entered as to claims 25-31, 37-40, and 54-58 under 35 U.S.C. § 112, second paragraph.

REVERSED
37 C.F.R. § 41.50(b)

Appeal 2010-006832
Application 09/628,315

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